

ALASKA RETIREMENT MANAGEMENT BOARD

FINANCIAL REPORT

AS OF DECEMBER 31, 2005

ALASKA RETIREMENT MANAGEMENT BOARD
Schedule of Investment Income and Changes in Invested Assets
Summary by Fund - Year To Date
July 1, 2005 through December 31, 2005

Fund Type	Beginning Invested Assets	Investment Income⁽¹⁾	Net Contributions/ Withdrawals⁽²⁾	Ending Invested Assets
<u>Pension</u>				
Public Employees Retirement Trust Fund	\$ 8,586,538,451	\$ 600,048,339	\$ (112,368,623)	\$ 9,074,218,167
Teachers Retirement Trust Fund	4,026,302,239	279,990,415	(121,300,264)	4,184,992,390
Judicial Retirement Trust Fund	73,673,124	4,884,434	(1,336,067)	77,221,491
Military Retirement Trust Fund	14,600,709	615,320	(927,932)	14,288,098
Subtotal Pension Trust Funds	<u>12,701,114,524</u>	<u>885,538,507</u>	<u>(235,932,886)</u>	<u>13,350,720,145</u>
<u>Participant Directed</u>				
Supplemental Annuity Plan	1,944,218,378	72,018,437	(16,212,354)	2,000,024,460
Deferred Compensation Plan	449,530,523	24,407,855	(1,414,684)	472,523,694
Subtotal Participant Directed Funds	<u>2,393,748,901</u>	<u>96,426,292</u>	<u>(17,627,038)</u>	<u>2,472,548,155</u>
Total All Funds	<u>\$ 15,094,863,425</u>	<u>\$ 981,964,799</u>	<u>\$ (253,559,924)</u>	<u>\$ 15,823,268,300</u>

Notes:

(1) Includes interest, dividends, securities lending, expenses, realized and unrealized gains/losses

(2) Includes authorized contributions/withdrawals from the invested funds

ALASKA RETIREMENT MANAGEMENT BOARD
Schedule of Investment Income and Changes in Invested Assets
Summary by Fund
For the Month Ended
December 31, 2005

Fund Type	Beginning Invested Assets	Investment Income ⁽¹⁾	Net Contributions/ Withdrawals ⁽²⁾	Ending Invested Assets
<u>Pension</u>				
Public Employees Retirement Trust Fund	\$ 8,977,508,057	\$ 114,996,372	\$ (18,286,262)	\$ 9,074,218,167
Teachers Retirement Trust Fund	4,138,751,632	53,290,711	(7,049,952)	4,184,992,390
Judicial Retirement Trust Fund	76,476,919	962,185	(217,614)	77,221,491
Military Retirement Trust Fund	14,251,512	162,450	(125,864)	14,288,098
Subtotal Pension Trust Funds	<u>13,206,988,119</u>	<u>169,411,718</u>	<u>(25,679,692)</u>	<u>13,350,720,145</u>
<u>Participant Directed</u>				
Supplemental Annuity Plan	1,989,377,568	14,205,513	(3,558,620)	2,000,024,460
Deferred Compensation Plan	468,951,510	3,652,849	(80,664)	472,523,694
Subtotal Participant Directed Funds	<u>2,458,329,077</u>	<u>17,858,362</u>	<u>(3,639,284)</u>	<u>2,472,548,155</u>
Total All Funds	<u>\$ 15,665,317,196</u>	<u>\$ 187,270,080</u>	<u>\$ (29,318,977)</u>	<u>\$ 15,823,268,300</u>

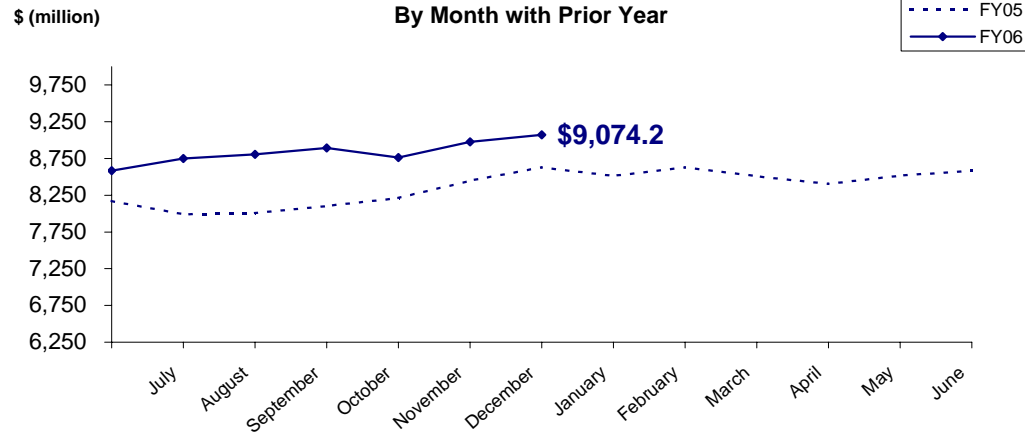
Notes:

(1) Includes interest, dividends, securities lending, expenses, realized and unrealized gains/losses

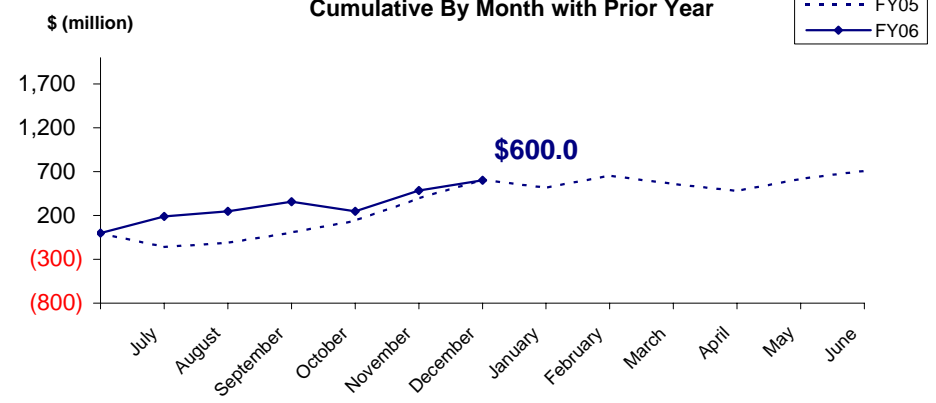
(2) Includes authorized contributions/withdrawals from the invested funds

PUBLIC EMPLOYEES' RETIREMENT TRUST FUND AS OF DECEMBER 31, 2005

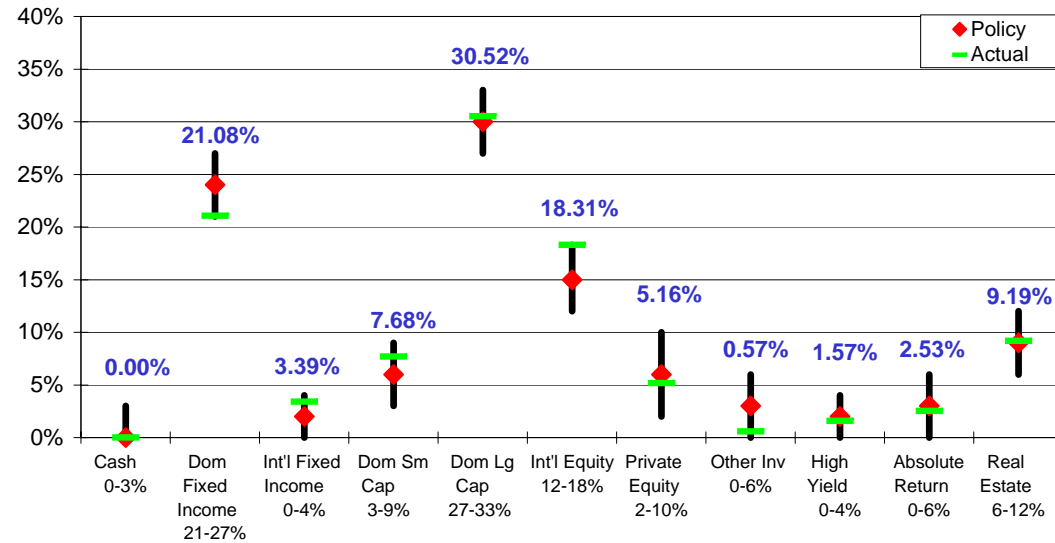
**Total Invested Assets
By Month with Prior Year**



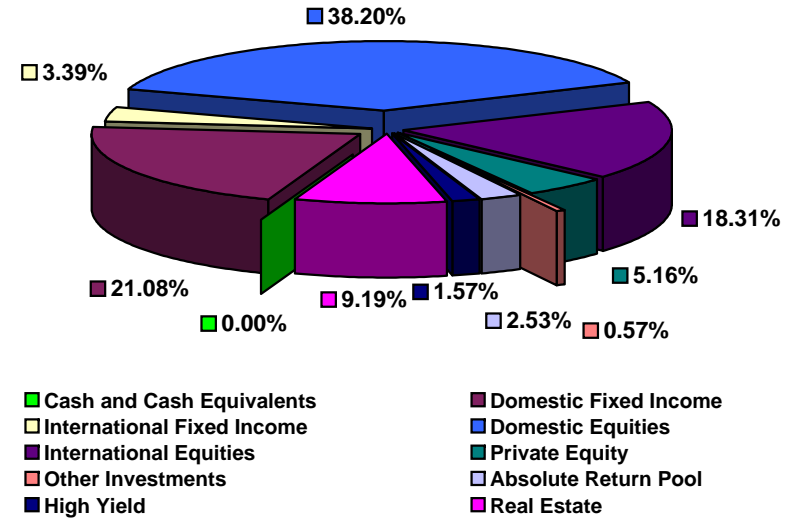
**Investment Income
Cumulative By Month with Prior Year**



Actual Asset Allocation v. Target Allocation

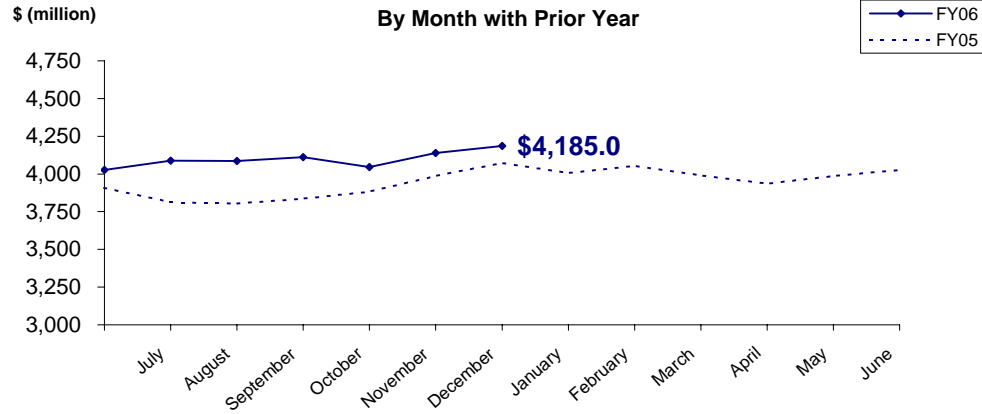


**Invested Assets
By Major Asset Class**

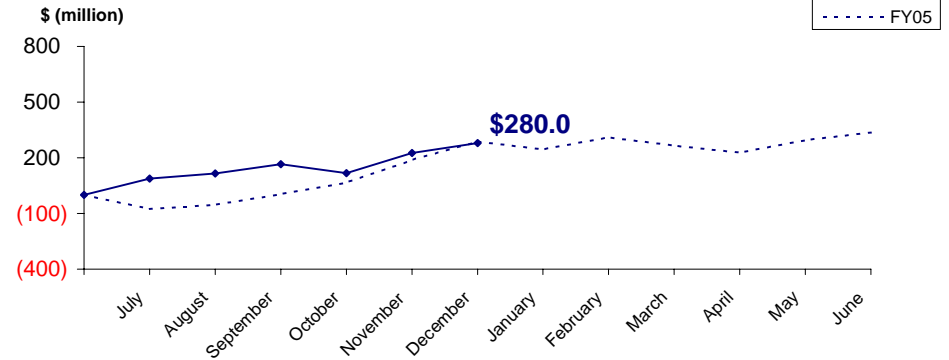


TEACHERS' RETIREMENT TRUST FUND AS OF DECEMBER 31, 2005

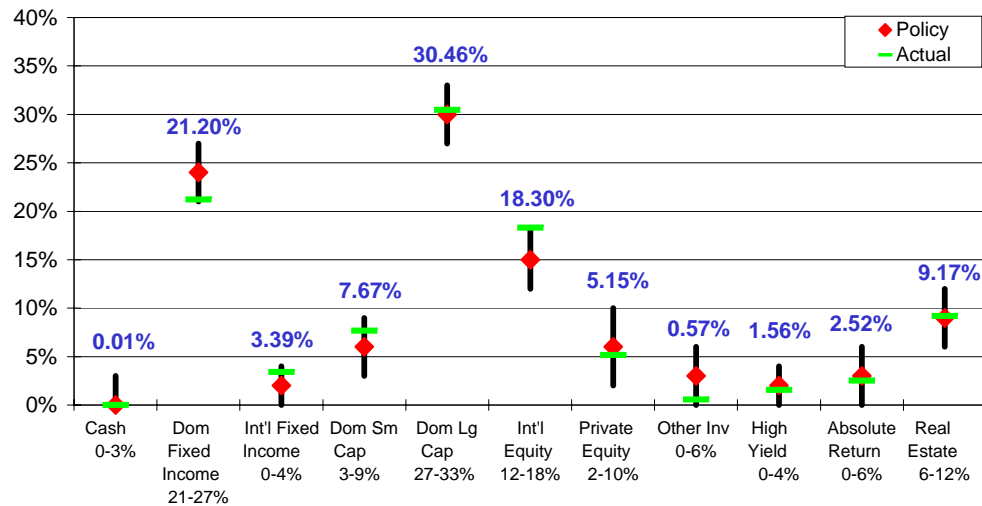
**Total Invested Assets
By Month with Prior Year**



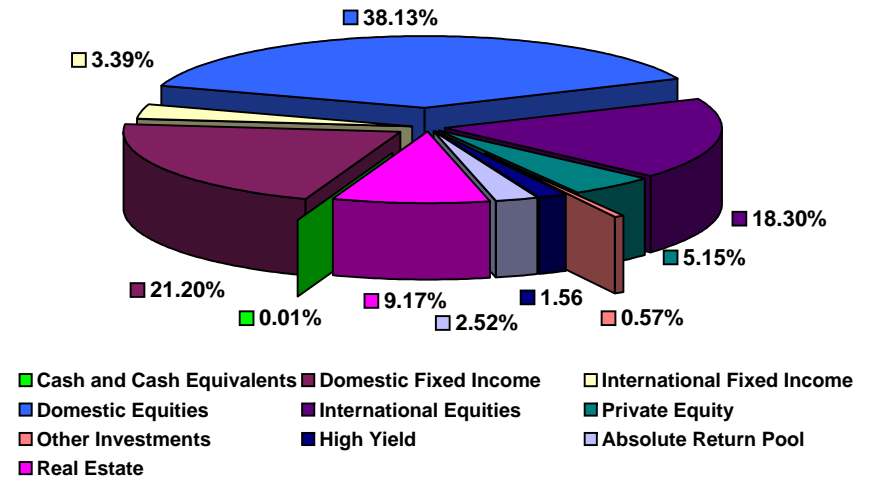
**Investment Income
Cumulative By Month with Prior Year**



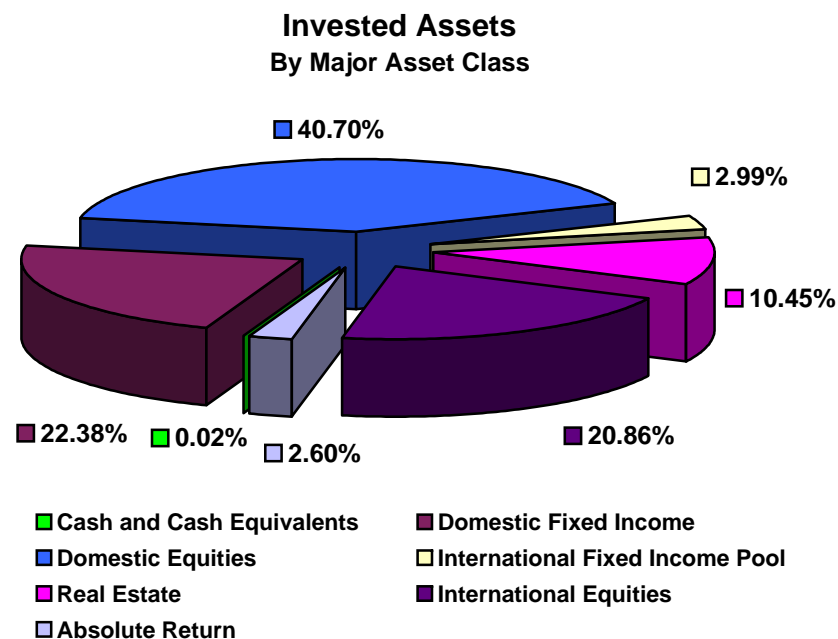
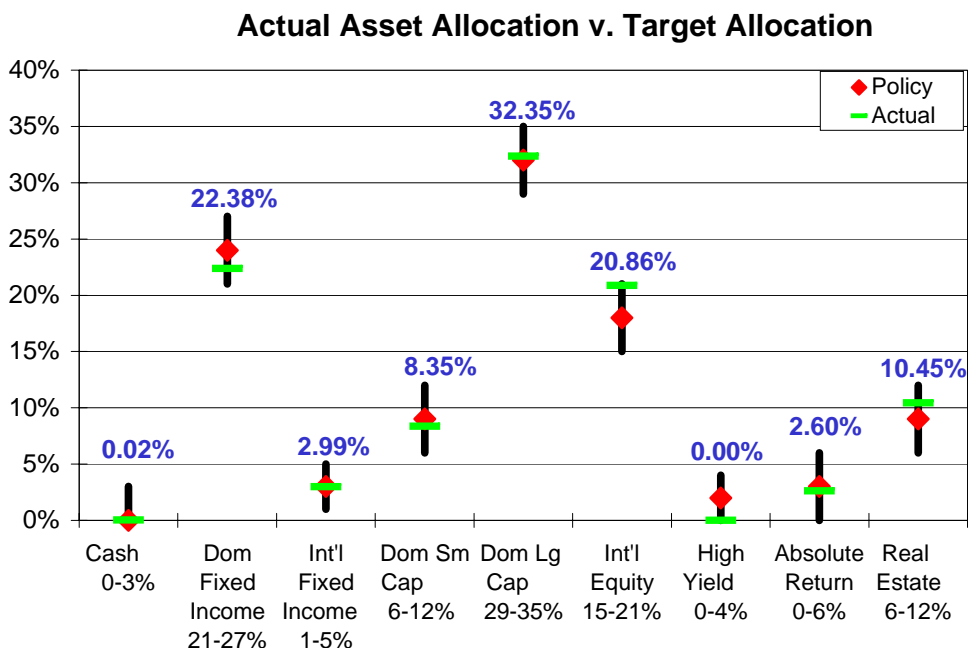
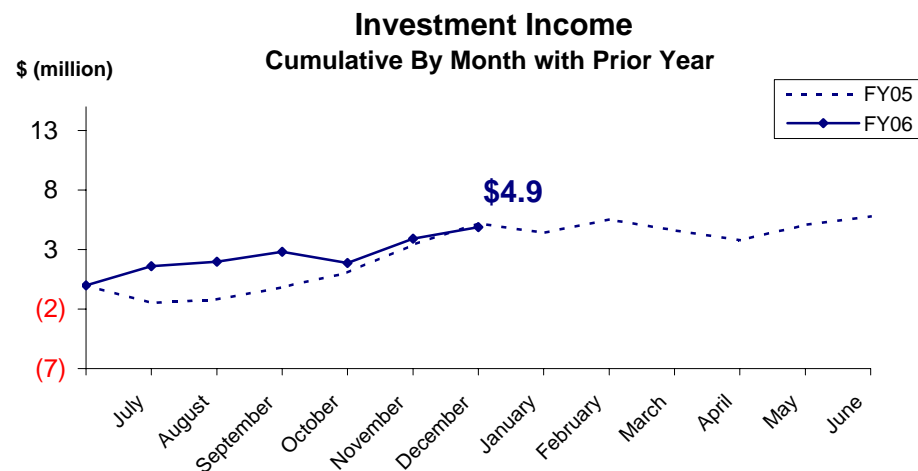
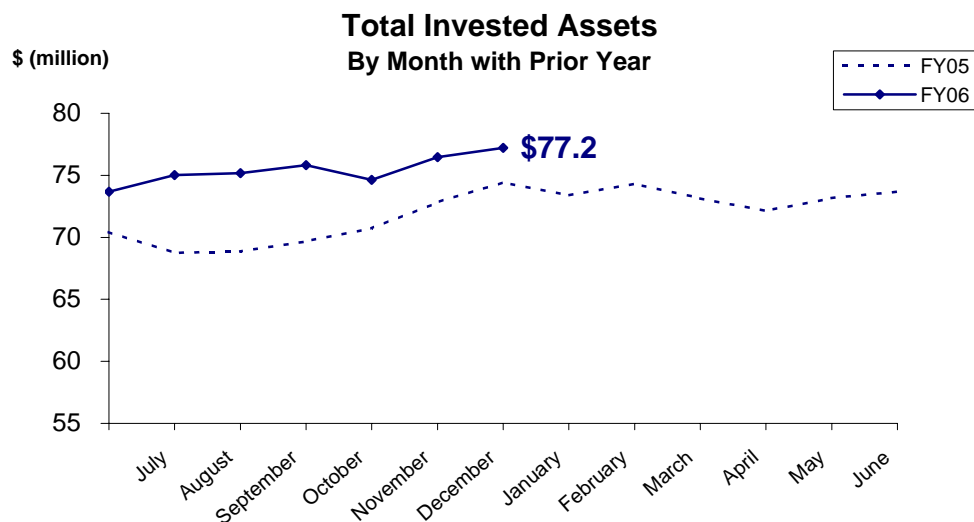
Actual Asset Allocation v. Target Allocation



**Invested Assets
By Major Asset Class**

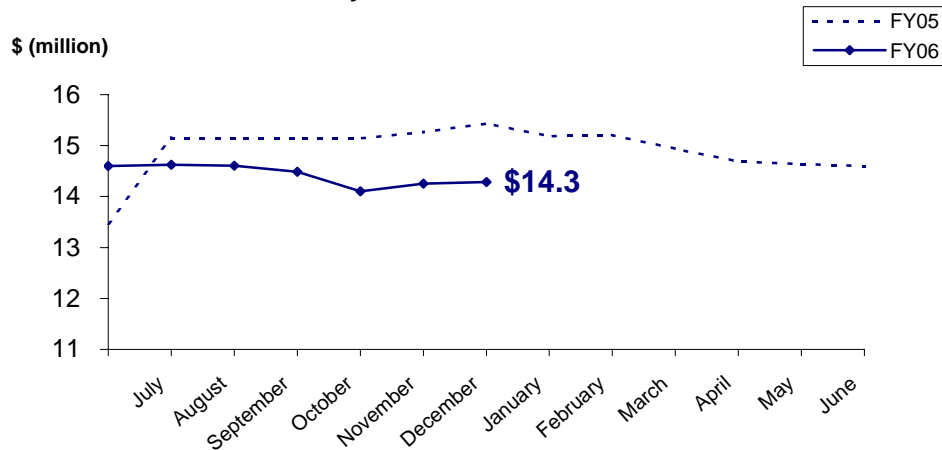


JUDICIAL RETIREMENT TRUST FUND AS OF DECEMBER 31, 2005

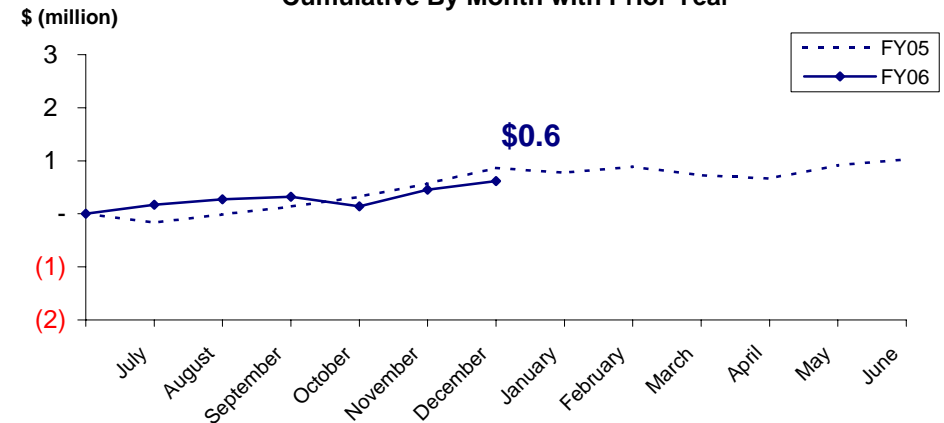


MILITARY RETIREMENT TRUST FUND AS OF DECEMBER 31, 2005

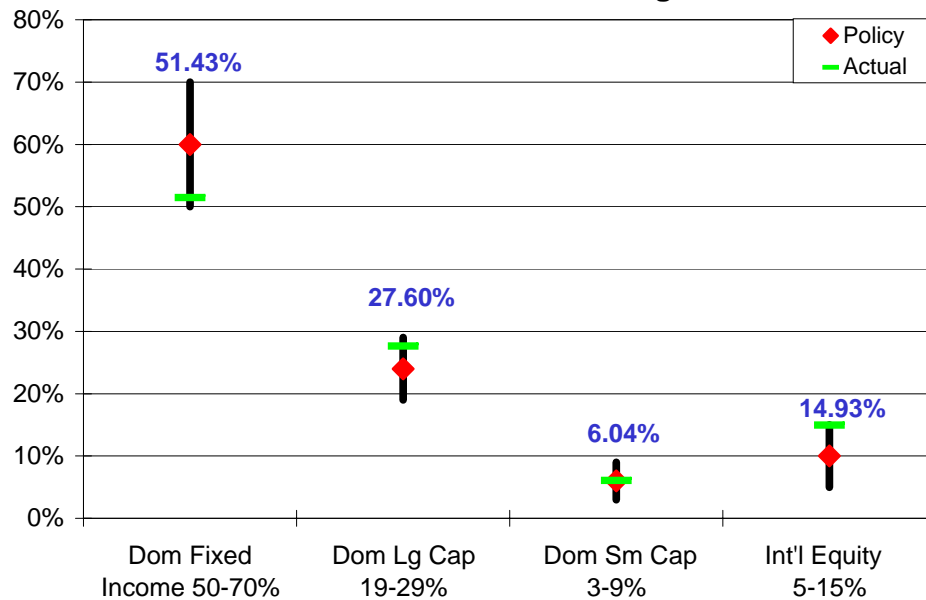
Total Invested Assets By Month with Prior Year



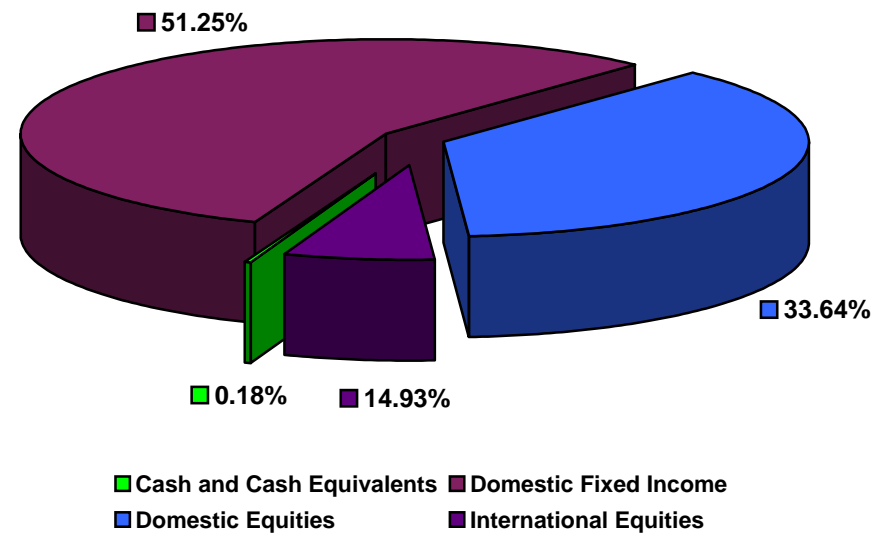
Investment Income Cumulative By Month with Prior Year



Actual Asset Allocation v. Target Allocation



Invested Assets By Major Asset Class



ALASKA RETIREMENT MANAGEMENT BOARD
Public Employees', Teachers', Judicial and Military Retirement Funds by Manager
Schedule of Investment Income and Changes in Invested Assets for the Month Ended
December 31, 2005

AY		Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% of Total	% of Pool Total
70	Short-Term Fixed Income Pool	\$ 1,101,552	(6,203,678)	\$ 5,329,813	\$ 227,687	0.00%	0.00%
77	Internal Fixed Income Investment Pool	1,903,624,474	23,447,139	64,175,590	1,991,247,203	14.91%	14.91%
	External Domestic Fixed Income Pool						
74	Blackrock	825,746,379	7,021,616	(7,882)	832,760,113	6.24%	6.24%
	International Fixed Income Pool						
63	Mondrian Investment Partners	446,174,184	5,744,870	-	451,919,054	3.38%	3.38%
	High Yield Pool						
9N	ING Investment Management	102,900,461	901,948	(10,493)	103,791,916	0.78%	
9P	MacKay Shields, LLC	103,103,683	690,545	(4,476)	103,789,752	0.78%	
		206,004,144	1,592,493	(14,969)	207,581,668		1.55%
	Domestic Equity Pool						
	Small Cap Managers						
	Indexed						
9L	SSgA Russell 2000	11,732,340	(51,296)	-	11,681,044	0.09%	
	Actively Managed					0.00%	
4B	TCW Asset Management Company	341,543,824	(114,113)	(65,007,546)	276,422,165	2.07%	
4D	Turner Investment Partners	294,069,805	(3,137,648)	(22,013,508)	268,918,648	2.01%	
4F	Luther King Capital Management	120,480,066	(1,052,507)	(7,808)	119,419,751	0.89%	
4G	Jennison Associates, LLC	173,391,915	(113,654)	(11,521)	173,266,740	1.30%	
4H	Lord Abbett & Co.	174,477,465	1,072,222	(5,017)	175,544,670	1.31%	
	Total Active	1,103,963,074	(3,345,699)	(87,045,399)	1,013,571,975		
	Total Small Cap	1,115,695,414	(3,396,995)	(87,045,399)	1,025,253,019		7.68%
	Large Cap Managers						
	Indexed						
37	SSgA S&P 500 Index Fund	1,961,749,817	1,766,853	(8,899)	1,963,507,771	14.71%	
	Total Indexed	1,961,749,817	1,766,853	(8,899)	1,963,507,771		14.71%
	Actively Managed						
30	SSgA Transition Account	3	(3)	-	-	0.00%	
39	Cap Guardian Trust Co	371,002,185	4,804,347	(5,072)	375,801,460	2.81%	
47	Lazard Freres	343,638,598	(1,866,894)	(650)	341,771,055	2.56%	
48	McKinley Capital Mgmt.	336,175,435	685,114	(1,040)	336,859,509	2.52%	
38	RCM	460,056,574	4,691,865	(3,572)	464,744,867	3.48%	
4a	Tukman, Value	297,070,648	(5,993,546)	(97)	291,077,005	2.18%	
4J	Relational Investors, LLC	304,906,124	(5,365,770)	-	299,540,353	2.24%	
	Total Active	2,112,849,566	(3,044,888)	(10,430)	2,109,794,248		15.80%
	Total Domestic Equity Pool	5,190,294,797	(4,675,031)	(87,064,728)	5,098,555,038		38.19%

ALASKA RETIREMENT MANAGEMENT BOARD
Public Employees', Teachers', Judicial and Military Retirement Funds by Manager
Schedule of Investment Income and Changes in Invested Assets for the Month Ended
December 31, 2005

		Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% of Total	% of Pool Total
(Cont.)							
International Equity Pool							
5A	International Transition Account	115	30	(145)	-	0.00%	
64	Bank of Ireland Asset Mgmt.	259,102	1,267	(236,413)	23,956	0.00%	
65	Brandes Investment Partners	655,079,758	25,730,541	(38,530)	680,771,768	5.10%	
58	Lazard Freres	445,442,837	20,783,436	(12,327)	466,213,946	3.49%	
67	Cap Guardian Trust Co	473,341,754	30,085,231	(11,754)	503,415,231	3.77%	
68	State Street Global Advisors	250,609,067	12,332,533	223,821	263,165,422	1.97%	
69	McKinley Capital Management	256,530,721	14,461,401	(8,089)	270,984,033	2.03%	
	Total International Equities	2,081,263,353	103,394,439	(83,437)	2,184,574,355		16.36%
Emerging Markets Equity Pool ⁽¹⁾							
61	JP Morgan Investment Mgmt.	117,459,167	5,463,217	-	122,922,384	0.92%	
62	The Capital Group Inc.	129,929,322	8,432,306	-	138,361,628	1.04%	
	Total Emerging Market	247,388,489	13,895,523	-	261,284,012		1.96%
Private Equity Pool							
98	Pathway Capital Management LLC	153,235,128	3,323,730	16,625,606	173,184,463	1.30%	
85	Abbott Capital	439,250,075	10,304,770	(4,202,787)	445,352,057	3.34%	
8A	Blum Capital Partners-Strategic	17,312,859	158,722	1,897,052	19,368,632	0.15%	
8B	Blum Capital Partners-Public	46,202,175	-	-	46,202,175	0.35%	
	Total Private Equity	656,000,236	13,787,221	14,319,871	684,107,328		5.12%
Other Investment Pool							
9A	TCW Energy Fund XD	35,211,702	1,421,355	(998,611)	35,634,446	0.27%	
9B	UBS Agrivest, LLC	34,252,497	549,998	(439,686)	34,362,809	0.26%	
9G	Hancock Agricultural Investment Group	6,012,428	-	-	6,012,428	0.05%	
	Total Other Investments	75,476,627	1,971,353	(1,438,297)	76,009,683		0.57%
Absolute Return Pool ⁽³⁾							
9D	Mariner Investment Group, Inc.	107,554,652	719,806	-	108,274,459	0.81%	
9E	Cadogan Management LLC	106,586,182	393,421	8,000,000	114,979,603	0.86%	
9F	Crestline Investors, Inc.	108,901,559	1,495,885	3,000,000	113,397,444	0.85%	
	Total Absolute Return Investments	323,042,394	2,609,112	11,000,000	336,651,506		2.52%
Investments in Real Estate							
82	Real Estate Properties	1,136,186,025	7,670,402	(6,894,090)	1,136,962,336	8.52%	
9H	REIT Holdings	114,637,226	(843,837)	(25,000,000)	88,793,388	0.67%	
83/84	Mortgage-related Assets ⁽²⁾	48,240	96	(1,562)	46,774	0.00%	
	Total Real Estate Investments	1,250,871,491	6,826,660	(31,895,653)	1,225,802,498		9.18%
	TOTALS	13,206,988,119	169,411,718	(25,679,692)	13,350,720,145	100.00%	100.00%

(1) Investment is represented by shares in (or as a percentage of) commingled equity investments which, at any given time, may be a combination of securities and cash.

(2) Mortgage-related assets are managed in-house. These assets are valued at their principal balance (cost) less an allowance for loan loss, the result of which approximates market value.

(3) Investment is represented by shares in various hedge funds.

ALASKA RETIREMENT MANAGEMENT BOARD

Supplemental Annuity Plan Schedule of Investment Income and Changes in Invested Assets for the Month Ended December 31, 2005

	Beginning Invested Assets	Investment Income	Contributions	Withdrawals ⁽³⁾	Transfers in (out)	Ending Invested Assets
Interim Transit Account						
Treasury Division ⁽¹⁾						
Cash and Cash Equivalents	\$ 2,258,974	\$ 11,451	\$ 8,468,421	\$ (8,550,932)	\$ -	\$ 2,187,914
Participant Options ⁽²⁾						
T. Rowe Price						
Target 2005 Fund	13,239,392	29,295	-	(198,157)	(13,070,530)	-
Target 2010 Fund	44,417,006	257,054	98,471	(229,962)	(533,619)	44,008,951
Target 2015 Fund	82,990,351	264,942	243,798	(45,299)	(343,164)	83,110,628
Target 2020 Fund	19,663,455	111,420	102,415	(5,709)	(492,571)	19,379,010
Target 2025 Fund	1,128,532	2,397	11,652	(45)	238,919	1,381,454
Alaska Balanced Fund	1,103,759,077	7,956,696	3,574,807	(6,241,650)	(856,169)	1,108,192,760
Long Term Balanced Fund	85,332,762	475,209	2,369,279	(485,745)	(375,158)	87,316,347
Small-Cap Stock Fund	54,000,460	77,057	254,842	(252,965)	(877,355)	53,202,039
Stable Value Fund	113,407,882	384,882	240,951	(1,171,280)	12,707,715	125,570,150
	1,517,938,918	9,558,952	6,896,214	(8,630,812)	(3,601,933)	1,522,161,339
State Street Global Advisors						
Daily Government/Corporate Bond Fund Series A	39,463,547	361,652	120,445	(352,725)	(49,935)	39,542,982
S&P 500 Stock Index Fund Series A	260,127,951	114,188	918,731	(1,497,924)	(969,411)	258,693,534
	299,591,497	475,840	1,039,176	(1,850,650)	(1,019,347)	298,236,516
Barclays Global Advisors						
Tactical Asset Allocation Fund	27,730,019	281,383	83,364	(296,041)	(103,075)	27,695,650
Brandes Institutional						
International Equity Fund	62,844,140	2,595,719	284,633	(456,628)	3,921,899	69,189,763
Capital Guardian Trust Company						
Global Balanced Fund	50,314,263	1,161,754	160,955	(760,579)	1,058,716	51,935,108
Citizens Advisers						
Citizens Core Growth Fund	28,699,757	120,414	124,935	(70,675)	(256,261)	28,618,170
Total Externally Managed Funds	1,987,118,594	14,194,062	8,589,277	(12,065,386)	-	1,997,836,546
Total All Funds	\$ 1,989,377,568	\$ 14,205,513	\$ 17,057,698	\$ (20,616,318)	\$ -	\$ 2,000,024,460

Notes:

(1) Represents net contributions in transit to/from the record keeper. Invested assets are under the fiduciary responsibility of the Commissioner of Revenue.

(2) Source data provided by the record keeper, Great West Life.

(3) Includes fees.

ALASKA RETIREMENT MANAGEMENT BOARD
Supplemental Annuity Plan
Schedule of Invested Assets
with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended December 31, 2005
\$ (Thousands)

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Invested Assets (At Fair Value)</u>						
Investments with Treasury Division ⁽¹⁾						
Cash and cash equivalents	\$ 1,307	\$ 1,236	2,044	2,006	2,259	2,188
Investments with T. Rowe Price						
Target 2005 Fund	14,460	14,318	14,902	15,040	13,239	-
Target 2010 Fund	46,429	46,152	45,969	45,159	44,417	44,009
Target 2015 Fund	84,870	83,336	82,976	81,327	82,990	83,111
Target 2020 Fund	17,701	17,618	17,988	18,026	19,663	19,379
Target 2025 Fund	-	-	-	-	1,129	1,381
Alaska Balanced Fund	1,114,153	1,114,376	1,107,947	1,090,181	1,103,759	1,108,193
Long Term Balanced Fund	73,851	75,186	77,249	79,235	85,333	87,316
Small-Cap Stock Fund	49,206	46,803	47,561	44,271	54,000	53,202
Stable Value Fund	112,337	114,413	115,155	116,861	113,408	125,570
Investments with State Street Global Advisors						
Daily Government/Corporate Bond Fund Series A	41,100	43,608	43,802	42,440	39,464	39,543
S&P 500 Stock Index Fund Series A	266,861	259,550	256,295	253,984	260,128	258,694
Investments with Barclays Global Investors						
Tactical Asset Allocation Fund	27,072	27,388	27,896	26,621	27,730	27,696
Investments with Brandes Investment Partners						
International Equity Fund	50,617	57,199	61,999	63,803	62,844	69,190
Investments with Capital Guardian						
Global Balanced Fund	46,374	48,092	49,151	47,266	50,314	51,935
Investments with Citizens Advisers						
Citizens Core Growth Fund	24,844	23,214	24,141	23,743	28,700	28,618
Total Invested Assets	\$ <u>1,971,182</u>	\$ <u>1,972,490</u>	<u>1,975,075</u>	<u>1,949,962</u>	<u>1,989,378</u>	<u>2,000,024</u>
<u>Change in Invested Assets</u>						
Beginning Assets	\$ 1,944,218	\$ 1,971,182	1,972,490	1,975,075	1,949,962	1,989,378
Investment Earnings	31,260	4,869	3,452	(23,574)	41,805	14,206
Contributions	19,574	19,824	18,724	18,234	18,097	17,058
Withdrawals	(23,870)	(23,387)	(19,591)	(19,773)	(20,487)	(20,616)
Ending Invested Assets	\$ <u>1,971,182</u>	\$ <u>1,972,490</u>	<u>1,975,075</u>	<u>1,949,962</u>	<u>1,989,378</u>	<u>2,000,024</u>

⁽¹⁾ Invested assets are under the fiduciary responsibility of the Commissioner of Revenue.

ALASKA RETIREMENT MANAGEMENT BOARD
Deferred Compensation Plan
Schedule of Invested Assets and
Changes in Invested Assets for the Month Ended
December 31, 2005

	Beginning Invested Assets	Investment Income	Contributions	Withdrawals ⁽¹⁾	Transfers in (out)	Ending Invested Assets
Participant Options						
T. Rowe Price						
Interest Income Fund	\$ 129,407,625	\$ 439,874	\$ 516,511	\$ (1,415,812)	\$ (485,224)	\$ 128,462,974
Small Cap Stock Fund	61,126,077	74,657	329,274	(144,294)	(306,807)	61,078,907
Total Investments with T. Rowe Price	<u>190,533,702</u>	<u>514,531</u>	<u>845,785</u>	<u>(1,560,106)</u>	<u>(792,030)</u>	<u>189,541,881</u>
Barclays Global Investors						
Intermediate Bond Fund	9,190,076	57,547	62,666	(97,921)	(19,538)	9,192,829
Government/Credit Bond Fund	25,633,269	234,603	215,905	(298,808)	(248,203)	25,536,765
S&P 500 Index Fund	133,390,418	77,795	916,598	(810,479)	(179,694)	133,394,637
Tactical Asset Allocation Fund	28,147,226	283,317	238,540	(140,623)	(146,966)	28,381,495
Total Investments with Barclays Global Investors	<u>196,360,988</u>	<u>653,262</u>	<u>1,433,709</u>	<u>(1,347,832)</u>	<u>(594,401)</u>	<u>196,505,726</u>
Capital Guardian Trust Company						
Global Balanced Fund	35,550,483	817,022	344,299	(85,270)	331,900	36,958,433
Brandes Institutional						
International Equity Fund	39,625,935	1,641,247	314,776	(102,909)	1,172,820	42,651,869
Citizens Advisers						
Citizens Core Growth Fund	6,880,401	26,787	107,027	(30,142)	(118,288)	6,865,785
Total All Funds	<u>\$ 468,951,510</u>	<u>\$ 3,652,849</u>	<u>\$ 3,045,595</u>	<u>\$ (3,126,259)</u>	<u>\$ -</u>	<u>\$ 472,523,694</u>

⁽¹⁾ Includes fees.

Source data provided by the record keeper, Great West Life.

ALASKA RETIREMENT MANAGEMENT BOARD
Deferred Compensation Plan
Schedule of Invested Assets
with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended December 31, 2005
\$ (Thousands)

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Invested Assets (at fair value)</u>						
Investments with T. Rowe Price						
Interest Income Fund						
Cash and cash equivalents	\$ 7,067	\$ 7,264	5,709	7,635	6,798	5,029
Synthetic Investment Contracts	123,847	124,811	124,829	122,548	122,609	123,434
Investments with Barclays Global Investors						
Intermediate Bond Fund	9,083	9,355	9,492	9,266	9,190	9,193
Government/Credit Bond Fund	26,404	27,111	27,328	26,338	25,633	25,537
S&P 500 Index Fund	134,047	131,094	130,608	129,156	133,390	133,395
Tactical Asset Allocation Fund	27,358	27,714	28,023	27,434	28,147	28,381
Investments with Capital Guardian Trust Company						
Global Balanced Fund	33,126	33,823	34,441	34,031	35,550	36,958
Investments with Brandes Institutional						
International Equity Fund	34,233	36,267	38,438	38,121	39,626	42,652
Investments with Citizens Advisers						
Citizens Core Growth Fund	5,482	5,274	5,718	5,663	6,880	6,866
Total Invested Assets	\$ 459,632	\$ 460,405	462,614	456,801	468,952	472,524
<u>Change in Invested Assets</u>						
Beginning Assets	\$ 449,531	\$ 459,632	460,405	462,614	456,801	468,952
Investment Earnings	10,829	368	3,371	(5,338)	11,524	3,653
Contributions	2,613	2,950	2,739	2,697	2,912	3,046
Withdrawals	(3,340)	(2,546)	(3,901)	(3,172)	(2,286)	(3,126)
Ending Invested Assets	\$ 459,632	\$ 460,405	462,614	456,801	468,952	472,524

Source data provided by the record keeper, Great West Life.